



BILL SCHUETTE
ATTORNEY GENERAL
STATE OF MICHIGAN

February 24, 2016

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Office of Proceedings
February 29, 2016
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The Honorable Daniel R. Elliott, III, Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott:

I am writing to you to express my concern over the level of rates charged by CSX Transportation to deliver coal supplies to Consumers Energy Company's J.H. Campbell electric generating complex. As the advocate on behalf of Michigan ratepayers, I actively participate in utility rate cases to ensure safe, reliable and affordable rates. The cost of acquiring fuel is a major expense in those rate cases that is passed through to Michigan ratepayers. In fact, the cost of fuel at Campbell comprises about half of the cost of generating electricity.

CSXT's route comprises less than 15 percent of the total distance from the Wyoming coal origins to Campbell, yet CSXT's current rates are some 50 percent of the total transportation costs. Accordingly, transportation rates charged by CSXT significantly impact the costs paid by Michigan ratepayers. Because of the current level of transportation rates and the lack of alternatives to CSXT for delivery of coal to Campbell, Consumers Energy is currently before your Board seeking a review of the just and reasonableness of CSXT's transportation rates in Docket No. 42142, *Consumers Energy Company v CSX Transportation, Inc.*

On behalf of Michigan ratepayers, I urge you to give careful and balanced consideration to the evidence presented in Consumers Energy's case, and ensure that only just and reasonable rates can be charged by CSXT for the transportation service that it alone controls. Thank you for your attention to this request, and please contact my office if you would like further information.

Sincerely,

A handwritten signature in blue ink, appearing to be "BS", written over a blue circular stamp.

Bill Schuette
Attorney General

WDS/mm